

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 18, 2002**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** July 1, 2002

DATE: May 23, 2002

TO: John Savage through Lee Sparling and Ed Busch

FROM: Ed Krantz

SUBJECT: PACIFICORP: (Docket No. UM 564) Requests reauthorization to defer certain costs associated with conservation programs.

STAFF RECOMMENDATION:

I recommend that the Commission approve reauthorization of PacifiCorp's deferred accounting for costs associated with renewable wind incentives and conservation program evaluation and verification for a 12-month period beginning July 1, 2002.

DISCUSSION:

As of March 1, 2002, and the implementation of SB 1149, PacifiCorp is no longer engaging in regulated energy efficiency expenditures, but will be deferring costs associated with renewable wind incentives and some costs for conservation program evaluation and verification. Current authorization extends through June 30, 2002.

The account is subject to ORS 757.259 and OAR 860-027-0300, and the Commission may authorize deferred accounts for periods of 12 months or less. As a result, the deferrals will cease on June 30, 2002, unless the Commission reauthorizes the process. Therefore, Staff recommends the Commission allow PacifiCorp to continue the previously authorized deferred accounting for renewable wind incentives and evaluation and verification costs only beginning July 1, 2002, for 12 months.

The company estimates that for the 12-month period beginning July 1, 2002, deferrals for renewable wind incentives will be about \$357,000. Although the company has not provided an estimate for the evaluation and verification costs, Staff estimates that they will be less than \$50,000.

The company proposes to record the cost deferrals in FERC Account 182.3, Other Regulatory Assets.

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PROPOSED COMMISSION MOTION:

PacifiCorp's deferred accounting reauthorization for costs associated with renewable wind incentives and conservation program evaluation and verification be approved for 12 months beginning July 1, 2002.

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